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ECONOMIC DEFENSE INTELLIGENCE COMMITTEE

Proposal for the Identification of New Strategic Commodities

I. Problem

The accomplishment of basic economic defense objectives requires the systematic identification, at least annually, of commodities not subject to embargo which have substantially increased in strategic importance to the Indo-Soviet Bloc because of scientific and technological developments. Such identification, together with the compilation of supporting intelligence and other data, is necessary for the purpose of determining US controls over the new strategic commodities, and for negotiating appropriate changes in the International Lists.

2. Facts Bearing on the Problem

a) Policy Directives and Recommendations

The 1953 national policy directive, which established present US economic defense policies, called for the maintenance of flexibility with respect to the modification of controls, and for concentration on significantly strategic items, and provided that extensions of controls must be justified by new technology, intelligence or strategic evaluation.

The recommendations made by the CEPF Steering Group in mid-1955 went even further in this respect, in proposing that extensions of international trade controls should be made when clearly justified by new technology.

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b) Rationale

Within the limits of internationally accepted trade-control levels, controls on specific commodities must undergo continuing modification in order to meet technological (as well as other) changes. The modification of trade controls to keep abreast of changing technology is imperative in the current strategic situation because of the vital importance of technology, including scientifically minor developments, to modern war potential.

c) Present Arrangements and Activities

It is recognised that The Joint Operating Committee and its member agencies and supporting elements continually assess the strategic significance of particular bloc imports (including potential imports) in the light of available intelligence and technical data. However, no part of the EDAC structure maintains close or continuing contact on trade-control matters with those officials and employees of the U.S. Government (in particular, the technical and the research and development personnel of the Armed Forces) who keep currently informed of scientific and technological developments. There is thus no systematic provision for bringing the main body of U.S. Government scientific expertise to bear on the modification of trade controls.

3. Conclusion

Regular and effective liaison should be established between the EDAC structure and the U.S. Government community of scientific and technical personnel, for the purpose of utilising the knowledge and judgment of the latter in the periodic review and revision of US and international trade

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controls. The means by which this objective can be best achieved should be considered by appropriate EDAC components. The following suggestions are submitted as a starting-point.

- a) Preparation of a Comprehensive questionnaire for submission to U.S. Government scientific and technical components. This method would probably need to be supplemented by a previous briefing, in order to explain the import of the questions, and subsequent conferences with respect to the answers.
- b) Establishment of an inter-agency scientific and Technical Advisory Committee (STAC), composed of EDAC representatives on the one hand and scientific and technical personnel on the other. This Committee need not hold meetings except in special circumstances - e.g., whenever a general revision of the International Lists appeared imminent.
- c) Periodic inter-agency meetings, either formal or informal. Under this method, an EDAC representative of each of the Armed Forces, for example, would periodically draw upon the scientific and technical expertise within his own service, and would report his findings to the EDAC structure. A special subcommittee or working group would probably be necessary in order to pool and reconcile the various single-agency recommendations.

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